

STATE OF MICHIGAN
BEFORE THE MICHIGAN PUBLIC SERVICE COMMISSION

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In the matter, on the Commission's own motion,)	
regarding administration and operation of the)	Case No. U-13129
Low-Income and Energy Efficiency Fund.)	
_____)	

At the September 15, 2009 meeting of the Michigan Public Service Commission in Lansing,
Michigan.

PRESENT: Hon. Orjiakor N. Isiogu, Chairman
Hon. Monica Martinez, Commissioner
Hon. Steven A. Transeth, Commissioner

OPINION AND ORDER

The Customer Choice and Electricity Reliability Act, 2000 PA 141, authorized the creation of the Low-Income and Energy Efficiency Fund (LIEEF) administered by the Commission via grants to qualifying organizations. The purpose of the fund is to provide shut-off and other protection for low-income customers and to promote energy efficiency by all customer classes. The fund's original source of funding was the utilities' securitization savings that exceeded the amount needed to achieve a 5% electric rate reduction for residential and business customers. Until October 6, 2008, MCL 460.10d(7) provided for the use of a portion of the savings.

The Detroit Edison Company's (Detroit Edison) interim rate relief order issued on February 20, 2004 in Case No. U-13808 rolled the LIEEF funding requirement into base rates for Detroit Edison's electric customers and continued funding the LIEEF as part of the utility's cost of service. Consumers Energy Company's orders issued on December 22, 2005 in

Case No. U-14347 and November 21, 2006 in Case No. U-14547 has also made provisions for funding the LIEEF. In prior orders in this docket, the Commission established a framework for administering the LIEEF and procedures for considering specific proposals.

The Commission has issued orders approving 28 rounds of grants in the aggregate amount of \$532,099,401, and has administered funds specially allocated by the Legislature in the amount of \$25,000,000 from the LIEFF for a total of \$557,099,401.

On April 2, 2009, the Commission invited organizations to submit proposals that improve energy efficiency, strengthen the economy of Michigan, and promote environmental conservation through the promotion and increased use of ENERGY STAR Compact Fluorescent Lamps (CFLs). By the April 24, 2009 deadline, the following organizations submitted proposals seeking a total of \$4,077,782: Charter Township of Delta, Finlandia University, Great Lakes Energy Service, Michigan Community Action Agency Association, Michigan GREEN, Michigan Sustainable Energy Coalition, Newaygo County Community Services, Superior Watershed Partnership, Urban Options, Inc., and West Michigan Environmental Action Council.

The Commission expresses its appreciation to the applicants for providing thoughtful proposals. In awarding the grants, the Commission used the selection criteria outlined in the Request for Proposals.

Based on its review of the applications, the Commission awards the following grants:

- Charter Township of Delta - \$122,788 to distribute CFLs, provide educational information on the proper use and disposal of CFLs, and expand existing CFL recycling efforts in the greater Lansing area.
- Michigan Community Action Agency Association - \$337,489 to supplement its existing statewide weatherization and client education program with a CFL replacement program.
- Michigan GREEN - \$100,000 to provide lighting audits and upgrades for households and businesses statewide, conduct case studies, and create an interactive website that

will raise public awareness of energy efficiency technologies, and provide educational information on the proper use and disposal of spent CFLs.

- Newaygo County Community Services - \$110,495 to implement a “Smart Lights” program through its existing weatherization services. The program will replace CFLs in households in Benzie, Lake, Manistee, Mason, Mecosta, Missaukee, Muskegon, Newaygo, Oceana, Osceola and Wexford counties, and educate consumers on the proper use and disposal of spent CFLs.
- Superior Watershed Partnership - \$179,228 to expand its current CFL distribution program to include additional rural families throughout the Upper Peninsula, and provide educational information on the proper use and disposal of spent CFLs.
- Urban Options - \$100,000 to expand its Change a Light, *Change Michigan* 2009 campaign to include an extensive CFL awareness and recycling campaign.
- West Michigan Environmental Action Council - \$50,000 to expand its current Project Light Change program to include additional west Michigan communities, and provide educational information on the proper use and recycle of spent CFLs.

For those grantees receiving less than requested in their proposals, the proportion of funds for direct assistance to indirect costs and overhead will remain the same as in their original requests.

The Commission directs the Commission Staff to complete the necessary grant agreement documents with the grantees. The Commission expects that, following approval by the appropriate agencies, the grant recipients will make these additional funds available to low-income customers as soon as possible. As always, the grants are contingent upon review and approval of the State Administrative Board.

THEREFORE, IT IS ORDERED that:

A. The following grants for a total of \$1 million are approved contingent upon the enactment of necessary appropriations for the fiscal year beginning October 1, 2009 and ending September 30, 2010:

- Charter Township of Delta - \$122,788 to distribute CFLs, provide educational information on the proper use and disposal of CFLs, and expand existing CFL recycling efforts in the greater Lansing area.

- Michigan Community Action Agency Association - \$337,489 to supplement its existing statewide weatherization and client education program with a CFL replacement program.
- Michigan GREEN - \$100,000 to provide lighting audits and upgrades for households and businesses statewide, conduct case studies, and create an interactive website that will raise public awareness of energy efficiency technologies, and provide educational information on the proper use and disposal of spent CFLs.
- Newaygo County Community Services - \$110,495 to implement a “Smart Lights” program through its existing weatherization services. The program will replace CFLs in households in Benzie, Lake, Manistee, Mason, Mecosta, Missaukee, Muskegon, Newaygo, Oceana, Osceola and Wexford counties, and educate consumers on the proper use and disposal of spent CFLs.
- Superior Watershed Partnership - \$179,228 to expand its current CFL distribution program to include additional rural families throughout the Upper Peninsula, and provide educational information on the proper use and disposal of spent CFLs.
- Urban Options - \$100,000 to expand its Change a Light, *Change Michigan* 2009 campaign to include an extensive CFL awareness and recycling campaign.
- West Michigan Environmental Action Council - \$50,000 to expand its current Project Light Change program to include additional west Michigan communities, and provide educational information on the proper use and recycle of spent CFLs.

B. The Commission Staff shall complete the necessary grant agreement documents with the grantees.

The Commission reserves jurisdiction and may issue further orders as necessary.

Any party desiring to appeal this order must do so in the appropriate court within 30 days after issuance and notice of this order, pursuant to MCL 462.26.

MICHIGAN PUBLIC SERVICE COMMISSION

Orjiakor N. Isiogu, Chairman

Monica Martinez, Commissioner

Steven A. Transeth, Commissioner

By its action of September 15, 2009.

Mary Jo Kunkle, Executive Secretary